

STATE FINANCE COMMITTEE
OLYMPIA, WASHINGTON

January 15, 2002

The State Finance Committee met in a special meeting after notice duly given to the press and radio of Thurston County.

Present: Michael J. Murphy, State Treasurer
Gary Locke, Governor

Also Present: Allan J. Martin, Office of the State Treasurer
Darlene DeRose, Montague DeRose & Assoc.
Dean Torkelson, Seattle Northwest Securities
Susan Musselman, Susan D. Musselman, Inc.
Kristi Wolgamot, Office of the State Treasurer
Bill Tonkin, Foster Pepper & Shefelman
Bill Starkey, Department of Transportation
Svein Braseth, Office of the State Treasurer
Patricia McLain, Department of General Administration
Susan Melvin, Office of the State Treasurer
Suzanne Coit, Office of the State Treasurer
Rob Shelley, Seattle Northwest Securities
Shad Pruitt, Office of the State Treasurer
Nancy Notter, Office of the State Treasurer
Valerie Gore, Department of General Administration
Benjamin J. Juergens, Orrick, Herrington & Sutcliffe
Rodney Wendt, Orrick Herrington & Sutcliffe
Vicki Cox, Office of the State Treasurer
Mike Roberts, Office of Financial Management
Jeanne Cushman, Office of the Attorney General

Chairman Murphy called the meeting to order.

Governor Locke moved the minutes for the December 13, 2001 meeting be approved.
Chairman Murphy seconded the motion. The motion passed and the minutes were adopted.

Mr. Martin said proposed Resolution No. 951 accepts a bid for the purchase of State of Washington Various Purpose General Obligation Bonds, Series 2002B in the preliminary aggregate principal amount of \$253,325,000; fixing the interest rates and designating serial and term bond maturities for the bonds; all in accordance with Resolution No. 948. Mr. Martin stated that three bids were received and accepted electronically through Parity at 8:00 a.m. Goldman, Sachs & Co. submitted a true interest cost (TIC) of 4.9570836%; Merrill Lynch & Co. submitted a TIC of 4.9302651%; and Salomon Smith Barney, Inc. submitted a TIC of 4.9399084%, with the apparent low bidder being Merrill Lynch & Co.

Mr. Martin presented proposed Resolution No. 951 to the committee.

Resolution 951 awards the sale of up to \$253,325,000, State of Washington Various Purpose General Obligation Bonds, Series 2002B, authorized by Chapter 14, Laws of 1989, 1st Sp. Sess.; Chapter 15, Laws of 1990, 1st Ex. Sess; Chapter 380, Laws of 1999; Chapter 9, Laws of 2001 2nd Sp. Sess.; and Chapter 39.42 RCW.

Governor Locke moved to adopt Resolution No. 951. Chairman Murphy seconded the motion and the resolution was adopted.

Mr. Martin said proposed Resolution No. 952 accepts a bid for the purchase of State of Washington Motor Vehicle Fuel Tax General Obligation Bonds, Series 2002C in the aggregate principal amount of \$338,075,000; fixing the interest rates and designating serial and term bond maturities for the bonds; all in accordance with Resolution No. 949. Mr. Martin stated that four bids were received and accepted electronically through Parity at 8:00 a.m. Bear Stearns & Co. submitted a TIC of 4.9791756%; Goldman, Sachs & Co. submitted a TIC of 4.9619394%; Merrill Lynch & Co. submitted a TIC of 4.9262401%, and Salomon Smith Barney, Inc. submitted a TIC of 4.9352330%, with the apparent low bidder being Merrill Lynch & Co. Mr. Torkelson said the rates were excellent.

Mr. Martin presented proposed Resolution No. 952 to the committee.

Resolution 952 awards the sale of up to \$338,075,000, State of Washington Motor Vehicle Fuel Tax General Obligation Bonds, Series 2002C, authorized by Chapter 321, Laws of 1998 (Referendum 49), (RCW 47.10.843); Chapter 431, Laws of 1993, (RCW 47.10.812); Chapter 440, Laws of 1993, as amended (RCW 47.26.500); and Chapter 39.42 RCW.

Governor Locke moved to adopt Resolution No. 952. Chairman Murphy seconded the motion and the resolution was adopted.

Chairman Murphy said proposed Resolution No. 953 authorizes the delivery and sale of an amount up to \$35,656,000 of state of Washington Certificates of Participation (COPs) plus financing costs and required reserves for the Department of General Administration, Tacoma Office Buildings Project. The Department of Social & Health Services presently occupies the buildings and will continue to after the acquisition. Chairman Murphy said authorization of the COPs by the State Finance Committee is being requested pursuant to an internal policy whereby no projects in the over \$6 million category will be financed without approval of the State Finance Committee by resolution.

Mr. Martin presented proposed Resolution No. 953 to the committee.

Resolution 953 approving a State Agency Financing Lease and related documents to be entered into by the State Department of General Administration for the

purchase of the Centennial Building I and II office project in Tacoma, Washington as authorized by Laws of 2001, 2nd Sp. Sess., Chapter 8, Section 907(2)(b), and the execution, delivery and sale of up to \$35,656,000, plus financing expenses and required reserves, of State of Washington Certificates of Participation in the lease payments pursuant to Chapter 39.94 RCW.

Governor Locke moved to adopt Resolution No. 953. Chairman Murphy seconded the motion and the resolution was adopted.

There being nothing further to come before the committee, the meeting was adjourned at 10:10 a.m.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

Michael J. Murphy, State Treasurer & Chairman

Gary Locke, Governor & Member

Brad Owen, Lieutenant Governor & Member

Allan J. Martin
Deputy State Treasurer & Secretary